

El Niño in Ethiopia Pulses Price Trends – August 2016

Introduction

In this August 2016 Food Price Brief, the AKLDP analyzes nominal Ethiopia Grain Trade Enterprise (EGTE) price data for pulses from August 2014 to August 2016. As mentioned in previous Food Price Briefs, pulses provide an important source of protein for poorer households that cannot afford animal protein. Consequently, pulse price trends serve as a useful proxy indicator for the quality of household diet for poorer households – when pulse prices are high, poorer households typically eat fewer pulses, and therefore daily protein intake is reduced.

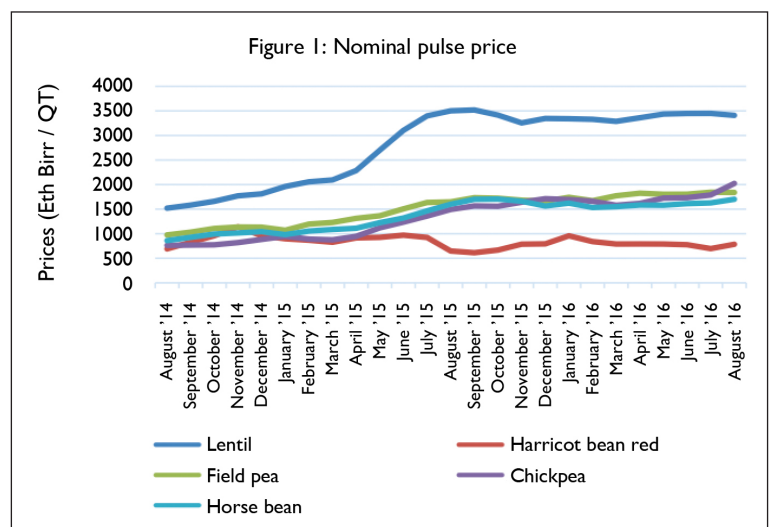
Pulse prices

With the exception of haricot bean, prices for pulses have been on an upward trend since August 2014. For example, nominal average year-on-year pulse prices increased by 14.4% from August 2015 to August 2016.

Disaggregated by crop, year-on-year prices to August 2016 show substantial price increases for chickpea, haricot bean, field pea, and horse bean, of 35%, 21%, 12%, and 6% respectively. In contrast, the price of lentil has declined by 3%, although lentil prices remain well above those of field pea, chickpea, and horse bean, and almost 3.5 times higher than haricot bean, which remains the cheapest pulse in Ethiopia (see Figure 1).

While continuing the upward price trend, month-on-month prices to August 2016 showed an average aggregate nominal price increase of 5.8% for all pulses. Disaggregated by crop, month-on-month prices increased by 13.1%, 12.7%, and 4.5% for chickpea, haricot bean, and horse bean respectively, while the prices for lentil and field pea declined by 1.2% and 0.2% respectively.

As mentioned in previous briefs, the long-term pulse price trend is driven by a combination of domestic and international factors. On the domestic front, factors include a reduction in the area of land planted to pulses – as more land is taken into cereal production – resulting in restricted supply, coupled with the failed spring belg and erratic and poor summer kiremt rains, which resulted in poorer than normal 2015 belg and meher harvests and, therefore, higher than usual 2016 prices. Internationally, pulse price trends are driven by the level of demand, specifically in India – typically the largest pulse importer in the world. At present, however, the demand for pulses in India is in decline, as the new harvest has increased local supply.



Conclusion

Pulses play an important role in household food security, as they typically offer an affordable protein source for poorer households. While high pulse prices may thus benefit surplus producers, such prices also result in reduced protein intake in poorer households. From a nutritional perspective, therefore, the continued high price of pulses in Ethiopia remains problematic.

Disclaimer

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